

House Study Bill 146 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE
ON EDUCATION BILL BY
CHAIRPERSON HITE)

A BILL FOR

1 An Act relating to the powers and duties of the boards of
2 directors of area education agencies, school districts, and
3 school corporations, and to the election of a director as
4 school board president.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 273.2, subsection 2, Code 2021, is
2 amended to read as follows:

3 2. An area education agency established under [this chapter](#)
4 is a body politic as a school corporation for the purpose
5 of exercising powers granted under [this chapter](#), and may sue
6 and be sued. An area education agency may hold property and
7 execute purchase agreements within two years of a disaster as
8 defined in [section 29C.2, subsection 4](#), and lease-purchase
9 agreements pursuant to [section 273.3, subsection 7](#), and if the
10 lease-purchase agreement exceeds ten years or the purchase
11 price of the property to be acquired pursuant to a purchase or
12 lease-purchase agreement exceeds ~~twenty-five thousand dollars~~
13 the amount stated in section 26.3, subsection 1, the area
14 education agency shall conduct a public hearing on the proposed
15 purchase or lease-purchase agreement and receive approval from
16 the area education agency board of directors and the state
17 board of education or its designee before entering into the
18 agreement.

19 Sec. 2. Section 273.3, subsections 7 and 12, Code 2021, are
20 amended to read as follows:

21 7. Be authorized to lease, purchase, or lease-purchase,
22 subject to the approval of the state board of education or
23 its designee and to receive by gift and operate and maintain
24 facilities and buildings necessary to provide authorized
25 programs and services. However, a lease for less than ten
26 years and with an annual cost of less than ~~twenty-five thousand~~
27 ~~dollars~~ the amount stated in section 26.3, subsection 1, does
28 not require the approval of the state board. The state board
29 shall not approve a lease, purchase, or lease-purchase until
30 the state board is satisfied by investigation that public
31 school corporations within the area do not have suitable
32 facilities available. A purchase of property that is not a
33 lease-purchase may be made only within two years of a disaster
34 as defined in [section 29C.2, subsection 4](#), and subject to the
35 requirements of [this subsection](#).

12. Prepare an annual budget estimating income and expenditures for programs and services as provided in sections 273.1, 273.2, this section, sections 273.4 through 273.8, and chapter 256B within the limits of funds provided under section 256B.9 and chapter 257. The board shall give post notice of a public hearing on the proposed budget on the area education agency's internet site and by publication in an official county newspaper in each county of general circulation in the territory of the area education agency in which the principal place of business of a school district that is a part of the area education agency is located. The notice shall specify the date, which shall be not later than March 1 of each year, the time, and the location of the public hearing. The proposed budget as approved by the board shall then be submitted to the state board of education, on forms provided by the department, no later than March 15 preceding the next fiscal year for approval. The state board shall review the proposed budget of each area education agency and shall before May 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than May 15. The state board shall give final approval only to budgets submitted by area education agencies accredited by the state board or that have been given conditional accreditation by the state board.

Sec. 3. Section 279.1, subsection 2, Code 2021, is amended to read as follows:

2. Such organization shall be effected by the election of a president from the members of the board to serve for one year, and who shall be entitled to vote as a member. During nonelection years, the president shall be elected to serve for one year at a regular meeting held not less than one year, nor more than thirteen months, after the prior organizational meeting.

Sec. 4. Section 279.33, subsection 2, Code 2021, is amended

1 by striking the subsection.

2 Sec. 5. Section 279.38, subsections 1 and 2, Code 2021, are
3 amended to read as follows:

4 1. Boards of directors of school corporations may pay,
5 out of funds available to them, reasonable annual dues to
6 the Iowa association of school boards. Each board that pays
7 membership dues to the Iowa association of school boards shall
8 annually report to the local community ~~and to the department of~~
9 ~~education~~ the amount the board pays in annual dues to the Iowa
10 association of school boards, the amount of any fees paid and
11 revenue or dividend payments received for services the board
12 receives from the association or from any of the association's
13 affiliated for-profit entities, and the products or services
14 the school district received inclusive with membership in the
15 association.

16 2. The financial condition and transactions of the Iowa
17 association of school boards shall be audited as provided in
18 section 11.6. In addition, annually the Iowa association of
19 school boards shall publish and submit to the department of
20 education a listing of the school districts and the annual
21 dues paid by each, the total revenue the association receives
22 from each school district resulting from the payment of
23 membership fees and the sale of products and services to
24 the school district by the association or its affiliated
25 for-profit entities, and shall publish an accounting of all
26 moneys expended for expenses incurred by and salaries paid to
27 legislative representatives and lobbyists of the association.
28 In addition, the association shall submit to the general
29 assembly copies of all reports the association provides to
30 the United States department of education relating to federal
31 grants and grant amounts that the association or its affiliated
32 for-profit entities administer or distribute to school
33 districts. The Iowa association of school boards is subject
34 to [chapters 21](#) and [22](#) relating to open meetings and public
35 records.

1 Sec. 6. Section 279.41, Code 2021, is amended to read as
2 follows:

3 **279.41 Schoolhouses and sites sold — funds.**

4 1. Moneys received from the condemnation, sale, or other
5 disposition for public purposes of schoolhouses, school sites,
6 or both schoolhouses and school sites, shall be deposited in
7 the physical plant and equipment levy fund and may without a
8 vote of the electorate be used for purposes authorized under
9 section 298.3, as ordered by the board of directors of the
10 school ~~district~~ corporation.

11 2. Notwithstanding subsection 1, the board of directors
12 of a school corporation may take action to deposit moneys
13 received as provided in subsection 1 in any account maintained
14 by the school corporation after holding a public hearing on the
15 proposed action of the board. The board shall publish notice
16 of the time and place of the public hearing in the same manner
17 as required in section 24.9.

18 Sec. 7. Section 279.48, subsection 3, Code 2021, is amended
19 by striking the subsection.

20 Sec. 8. Section 279.60, subsection 2, Code 2021, is amended
21 to read as follows:

22 2. The school district shall also collect information from
23 each parent, guardian, or legal custodian of a kindergarten
24 student enrolled in the district, ~~including but not limited to~~
25 ~~on whether the student attended preschool, factors identified~~
26 ~~by the early childhood Iowa office pursuant to [section 256I.5](#),~~
27 ~~and other demographic factors.~~ Each school district shall
28 ~~report the results of the community strategies employed during~~
29 ~~the prior school year pursuant to section 279.68, subsection~~
30 ~~3, paragraph "a", the assessment administered pursuant to~~
31 ~~[subsection 1](#), and the preschool information collected to~~
32 the department of education in the manner prescribed by the
33 department not later than January 1 of that school year. The
34 early childhood Iowa office in the department of management
35 shall have access to the raw data. The department shall review

1 the information submitted pursuant to **this section** and shall
2 submit its findings and recommendations annually in a report to
3 the governor, the general assembly, the early childhood Iowa
4 state board, and the early childhood Iowa area boards.

5 Sec. 9. Section 297.22, subsection 1, paragraphs b, c, and
6 d, Code 2021, are amended to read as follows:

7 **b. (1)** Proceeds from the sale or disposition of real or
8 other property shall be deposited into the fund which was
9 used to account for the acquisition of the property. If
10 the district is unable to determine which fund was used to
11 account for the acquisition of the property or if the fund no
12 longer exists in the district, the proceeds from the sale or
13 disposition of real property shall be placed in the physical
14 plant and equipment levy fund, and the proceeds from the sale
15 or disposition of property other than real property shall be
16 placed in the general fund. Proceeds from the lease of real or
17 other property shall be placed in the general fund.

18 **(2)** Notwithstanding subparagraph (1), the board of
19 directors of a school district may take action to deposit the
20 proceeds from the sale or disposition of real or other property
21 in any account maintained by the school district after holding
22 a public hearing on the proposed action of the board. The
23 board shall publish notice of the time and place of the public
24 hearing in the same manner as required in section 24.9.

25 **c.** Before the board of directors may sell, lease for a
26 period in excess of one year, or dispose of any property
27 belonging to the school, the board shall hold a public hearing
28 on the proposal. The board shall set forth its proposal in a
29 resolution and shall publish notice of the time and the place
30 of the public hearing on the resolution. The notice shall
31 also describe the property. A locally known address for real
32 property may be substituted for a legal description of real
33 property contained in the resolution. ~~Notice~~ The board shall
34 publish notice of the time and place of the public hearing
35 ~~shall be published at least once not less than ten days but not~~

~~1 more than twenty days prior to the date of the hearing in a~~
~~2 newspaper of general circulation in the district in the same~~
~~3 manner as required in section 24.9. After the public hearing,~~
~~4 the board may make a final determination on the proposal~~
~~5 contained in the resolution.~~

6 d. However, property having a value of not more than five
7 twenty-five thousand dollars, other than real property, may be
8 sold or disposed of by any procedure which is adopted by the
9 board. Each such sale or disposal shall be published ~~by at~~
10 ~~least one insertion each week for two consecutive weeks in a~~
11 ~~newspaper having general circulation in the district and any~~
12 ~~other disposition shall be published by at least one insertion~~
13 ~~in a newspaper having general circulation in the district.~~

14 Sec. 10. REPEAL. Section 279.44, Code 2021, is repealed.

EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation's substance by the members of the general assembly.

18 This bill relates to the powers and duties of the boards of
19 directors of area education agencies (AEAs), school districts,
20 and school corporations to submit reports, dispose of property
21 and deposit the proceeds, publish notice, and to the election
22 of school board presidents.

23 DUTIES AND POWERS OF AREA EDUCATION AGENCY BOARD — BOARD
24 APPROVAL ON CERTAIN LEASES — NOTICE. Code sections 273.2(2)
25 and 273.3(7) are amended to raise the limit, from more than
26 \$25,000 to more than \$100,000, on leases and lease purchases
27 that would require approval of the state board of education.
28 Code section 273.3(12) is amended to provide that notice of
29 the public hearing on the AEA's annual budget must be posted
30 on the AEA's internet site and by publication in a newspaper
31 of general circulation. Current law requires that the notice
32 be published in an official county newspaper in each county in
33 the AEA territory.

34 ELECTION OF SCHOOL BOARD PRESIDENT. The bill amends
35 Code sections 279.1(2) and 279.33(2) to replace a provision

1 requiring the school board president be elected in
2 even-numbered years at the organizational meeting to serve for
3 one year, with a provision requiring that during nonelection
4 years, the school board president be elected to serve for one
5 year at a regular meeting held between 12 and 13 months after
6 the prior organizational meeting.

7 MEMBERSHIP IN ASSOCIATION OF SCHOOL BOARDS — REPORTS TO
8 DEPARTMENT. The bill amends Code section 279.38 to eliminate a
9 requirement that the boards of directors of school corporations
10 which pay dues to the Iowa association of school boards report
11 to the department of education the amount paid by the board to
12 the association in annual dues. However, the bill adds that a
13 report the association is currently required to publish, which
14 includes a list of member school districts, annual dues paid by
15 each, revenues received from the sale of products and services,
16 and amounts paid relating to the association's lobbying
17 activities, must be submitted to the department of education.

18 SCHOOLHOUSES AND SITES SOLD — FUNDS. Currently, school
19 districts must deposit and use moneys received from the
20 condemnation, sale, or other disposition for public purposes
21 of schoolhouses, school sites, or both schoolhouses and school
22 sites as authorized by statute and as ordered by the board
23 of directors of the school district. The bill replaces the
24 reference to "school district" with "school corporation",
25 which is a broader term that typically includes area education
26 agencies and community colleges. The bill also amends Code
27 section 279.41 to provide that such boards may take action
28 to deposit the moneys received in any account maintained by
29 the school corporation after holding a public hearing on the
30 proposed action. Such board must publish notice of the time
31 and place of the public hearing.

32 EQUIPMENT PURCHASE. The bill strikes Code section 279.48(3)
33 which provides that a school corporation must, before entering
34 into a loan agreement for an equipment purchase, publish notice
35 at least once in a newspaper of general circulation within the

1 school corporation at least 10 days before the meeting at which
2 the loan agreement is to be approved.

3 ASSESSMENTS — REPORTS. The bill amends Code section
4 279.60(2), which relates to administration of the teaching
5 strategies gold early childhood assessment to every resident
6 pre-k or four-year-old enrolled in a school district, and
7 a universal screening instrument to kindergarten students
8 enrolled in the district. The bill eliminates language which
9 requires that a report submitted by a school district include
10 information on factors identified by the early childhood Iowa
11 office and other demographic factors, as well as language
12 that requires school districts to report to the department of
13 education the results of the community strategies employed in
14 the prior school year and the assessment results.

15 POWER TO SELL, LEASE, OR DISPOSE OF PROPERTY — NOTICE. The
16 bill amends Code section 297.22(1)(b)-(d) to give the boards
17 of directors of school districts the option to take action
18 to deposit the proceeds from the sale or disposition of real
19 or other property in any account maintained by the school
20 district after holding a public hearing on the proposed action.
21 Existing language specifies in which funds such proceeds must
22 be deposited. The board must publish notice of the time and
23 place of the public hearing.

24 Also, a provision requiring that the notice the boards must
25 publish prior to holding a public hearing on a proposal to
26 sell, lease for a period in excess of one year, or dispose of
27 any property belonging to the school, must be published at
28 least once for not less than 10 days nor more than 20 days
29 prior to the public hearing date in a newspaper of general
30 circulation in the district, is replaced with a provision that
31 allows for publication requirements that vary with the size of
32 a municipality.

33 The bill raises the limit, from \$5,000 to \$25,000, for
34 the value of property that may be sold or disposed of by any
35 procedure which is adopted by a board. Language relating to

1 the frequency of notice publication of such sale, once each
2 week for two weeks, in a newspaper of general publication is
3 eliminated. The bill provides that such sale or disposal must
4 be published in a newspaper of general circulation.

5 REPEAL. The bill repeals Code section 279.44, which
6 requires school districts to conduct energy audits every five
7 years.